

QUARTERLY REPORT

Quarter ended 30 June 2022

ASX: CUF

ASX Announcement - 29 July 2022

CuFe Ltd (ASX: **CUF**) (**CuFe** or the **Company**) is pleased to provide its Quarterly Activities Report and Appendix 5B for the three-month period ended 30 June 2022.

HIGHLIGHTS

- Record production was achieved in the quarter across mining, processing and haulage operations;
- Operating costs adversely impacted by the rapid rise in fuel prices and higher strip ratios over the quarter;
- Two cargoes exported inside the quarter with another cargo loaded post quarter end on 22 July, both cargoes priced at a premium to the 62% CFR Index price, with full lump premium applicable;
- The Company's marketing agent agreed a contract with a leading South-East Asian steel mill for 360,000 wmt +/- 15% of JWD product, for delivery over the period May to December 2022;
- Hedge portfolio optimised over the quarter with a remaining market to market value at 30 June 2022 of A\$6.4m (100% JV basis);
- The Company completed an upgrade to existing resources previously stated in compliance with JORC 2004, to JORC 2012 for its 60% owned Tennant Creek deposits (Orlando, Gecko and Goanna);
- Infill drilling (both RC and Diamond drilling) commenced at the Orlando Project in early June for the purpose of supporting planned study work for the development of the project;
- Significant Yarram exploration drilling results were received during the quarter;
- Yarram geophysical gravity survey completed identifying more refined targets for future exploration; and
- Variation to Tennant Creek Acquisition Agreement and settlement of all remaining deferred consideration during the quarter (\$1.5m cash and 12.5m shares).

OPERATIONS

JWD IRON ORE PROJECT (Western Australia, CUF 60%)

Post re-commencement of mining operations in the March quarter, the June quarter has seen the JWD Iron Ore Project (**JWD, JWD Project**) achieve record production across mining, processing and haulage; improved reliability and productivity in processing; sub-set of the haulage fleet now higher payload road trains for the haulage activity.

Key points for the quarter include:

- 2 cargoes comprising a total of 121,615 wmt completed loading during the quarter; post the quarter end, a cargo was loaded on 22 July.
- Mining operations (drill and blast, load and haul) achieved record Total Material Movement (**TMM**) in the June quarter.
- As reported for the prior quarter, the Company installed a new crushing and screening plant at JWD for the purpose of achieving improved reliability and processing capacity; the change-out to a new processing plant followed by successful commissioning and ramp up from early April, has delivered record processed tonnes for the quarter.
- Record hauled tonnes to the port for the quarter.
- Six 60m road trains introduced to the haulage fleet, carrying approximately 30% higher payload than standard quad road trains.
- Contract with leading South East Asian steel mill for 360,000 wmt +/- 15%, for delivery over the period May to December 2022, equating to 6 shipments over the period, with pricing linked to the index. The proximity of South East Asia to Geraldton is beneficial as it results in reduced freight costs when compared to the China market.
- Iron Ore prices have been volatile over the quarter, with 62% index prices decreasing from USD158/dmt at the end of March to USD120/dmt at the end of June and dipping below USD100/dmt during July before rebounding to USD118/dmt at that date of this report. Lump premiums have similarly decreased significantly from 31c per dry metric tonne unit (**dmtu**) at the end of March to 10c per dmtu at the end of June. Cufe's shipments priced at May average and at June average so were weighted to the lower part of the quarter's pricing.

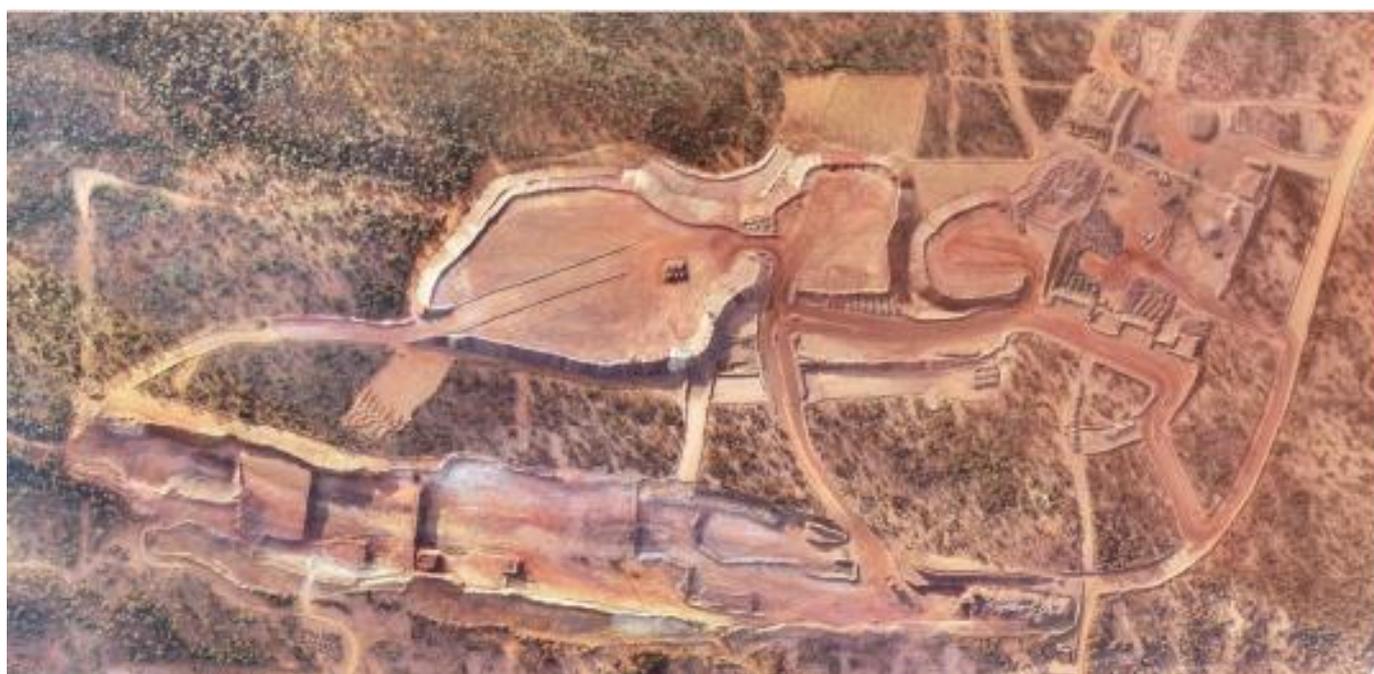


Figure 1: JWD Pit, Waste Dump, ROM & Process Plant July 2022

Operations Summary

Production Summary (100%)	Measure	Q3 FY22	Q4 FY22	Var (%)	FY22
Total material moved	BCM	203,443	328,901	62%	755,419
Ore mined	wmt	200,888	195,244	(3%)	697,248
Ore processed	wmt	135,520	211,809	56%	564,074
Ore hauled to port	wmt	80,894	140,453	74%	363,171
Ore shipped	wmt	89,328	121,615	36%	330,747
Inventory					
ROM	wmt	123,684	102,724	(17%)	102,724
Site Finished Product	wmt	17,462	20,081	15%	20,081
Port	wmt	13,199	38,424	191%	38,424
Revenue (FOB)	US\$/wmt	139.89	116.91	(16%)	117.19
Revenue (FOB)	A\$/wmt	195.26	161.72	(17%)	162.50
Hedging Gains / (losses)	A\$/wmt	(2.01)	10.16	605%	26.93
Total Revenue	A\$/wmt	193.25	171.88	(11%)	189.43
C1 Costs (\$/wmt by Activity)	A\$/wmt	136.36	148.50	(9%)	137.63
C1 Costs (\$/wmt Shipped)	A\$/wmt	144.56	164.11	(14%)	154.33

Note: All numbers (unaudited) are on a 100% JV basis, CuFe share 60%

Key points:

- Escalation in diesel, labour and consumables (in particular the diesel fuel price) has negatively impacted on production costs and accounts for approximately A\$10/wmt (by Activity) of the quarter on quarter increased costs (A\$/wmt by Activity).

- The mined strip ratio (ratio of waste tonnes to ore tonnes) for the quarter more than doubled compared to the previous quarter (+142%) and has the effect of increasing costs by A\$8/wmt (by Activity); this is a timing issue and it's expected that the strip ratio will reduce over the September quarter (refer below).
- Shipped tonnes are 36% higher compared with the prior quarter, with an additional cargo loaded post quarter end on the 22 July, a significant volume of these tonnes were in port inventory at 30 June.
- Realised FOB pricing of US\$116.91/wmt FOB basis, down 16% on the prior quarter due to falling headline price and lump premium.
- A net realised hedge gain was achieved for the period of A\$10.16/wmt. A total of 150.000dmt of swaps remain in place as at 30 June, with a market to market valuation of \$6.4m (100% JV basis), providing valuable protection against falling iron ore prices.
- As stated above, the C1 Cost by Activity and Shipped Tonnes were negatively impacted predominantly by significantly increased diesel fuel price and higher mining costs resulting from increased strip ratio (timing issue). These cost increases have to a lesser extent been offset by increased production volumes across the supply chain and the positive impact of introducing six higher payload road trains to the fleet (reducing haulage unit cost).
- The company has continued to work on reducing production costs with the current focus being on the potential to revise pit designs to reduce strip ratio and improve ore recovery, further reduce the cost of haulage to port, along with other site based initiatives related to reducing the cost of production ex-mine.

DEVELOPMENT AND EXPLORATION PROJECTS

The Company holds, or has rights or interests in, various tenements prospective for iron ore, gold and base metals located in Western Australia and the Northern Territory. The Company's main focus is its iron ore assets in Western Australia (JWD Iron Ore Project) and the Northern Territory (Yarram Iron Ore Project), and Tennant Creek Copper Project in the Northern Territory. The remaining projects are all subject to various joint venture agreements for which the Company does not have operational control.

Yarram Mining Rights (Northern Territory)

The Company holds a 50% interest in Gold Valley Iron and Manganese Pty Ltd, the owner of the iron ore rights over the Yarram project, located some 110km from Darwin Port.

A short drilling program was commenced at Yarram in the December quarter before being shut-down by adverse drilling conditions following the early arrival of the wet season. Results from the holes drilled were received during the current quarter (refer CUF ASX release dated 27 April 2022) with significant intersections including:

- 36m @ 58.2% Fe from 15m in hole YARC2113 incl 11m @ 62.2% Fe from 23m, 7m @ 61.8% Fe from 37m and 6m @ 63.8% Fe from 45m.
- 9m @ 59.8% Fe from 22m in hole YARC2118.
- 3m @ 58.7% Fe from 41m in hole YARC2126
- 5m @ 59.3% Fe from 66m in hole YARC 2130

A recent field trip focusing on reconciling gravity and orebody extensional targets with outcrop and detailed geological mapping has further increased confidence and prospectivity within MLN1163. A comprehensive drill program is planned for September 2022 (subject to the approval of the submitted Mining Management Plan (MMP)) and will include RC and Diamond drilling and bulk sampling.

Tennant Creek Copper Project (Northern Territory)

Work associated with the approvals process along with other packages of work related to development of the project has continued this quarter. As reported in the prior quarter the project is centered around an open pit cut-back to the existing Orlando open pit. Progress during the quarter includes:

- Aboriginal Areas Protection Authority certificate obtained for the purpose of the drill program;
- Existing core relocated to Perth, allowing Geotechnical and Metallurgical consultants to complete an inspection of the core and ascertain additional core requirements to be included as part of the current drill program (see below);
- Preliminary metallurgical sighter test work commenced on existing core which will inform the next round of more comprehensive test work;
- Exploration access agreement concluded with pastoralist;
- Drilling program commenced 12th June and is approximately 90% complete. Program is a combination of RC drilling (resource infill, step-out targets, water monitoring) and Diamond drilling for the purpose of completing metallurgical testwork; and
- The Company announced an upgrade to existing resources previously stated in compliance with JORC 2004, to JORC 2012 for its 60% owned Tennant Creek deposits (Orlando, Gecko and Goanna) (refer announcement re-released 19 July 2022). The Company engaged Mr Ian Glacken from Snowden Optiro Consultants to conduct a review of the stated 2004 resources and complete the necessary additional requirements to allow reporting under JORC 2012 requirements. The original resource estimates were generated by Optiro Pty Ltd between 2011 and 2013.



Figure 2: Existing Orlando Copper / Gold pit

Bryah Basin Joint Venture Projects - CUF 20% rights

CUF, via its wholly owned subsidiary Jackson Minerals Pty Limited (**Jackson Minerals**), has a 20% interest in tenements in the highly prospective Bryah Basin proximal to Sandfire Resources NL (**SFR**) Doolgunna Project and DeGrussa copper gold mine. The Bryah Basin Project tenements are subject to joint ventures and farm-ins with Billabong Gold Pty Ltd (**Billabong**), Alchemy Resources (Three Rivers) Ltd (**ALY**), Auris Minerals Ltd (**AUR**) and SFR. SFR is currently actively exploring the area.

CORPORATE

Variation to Tennant Creek Acquisition Agreement

On 8 April 2022, the Company advised a variation of terms to the binding agreement previously entered into with Gecko Mining Company Pty Ltd (**Gecko**). The Company (via its subsidiary CuFe Tennant Creek Pty Ltd) completed the transaction on 9 December 2021 to acquire a 60% interest in the Tennant Creek Project located in the Northern Territory. Under the terms of the original agreement (as detailed in ASX announcement 24 September 2021), consideration included a deferred cash payment of \$2,000,000 (payable six month from completion). The parties agreed to vary the agreement such that this amount would be settled as follows:

- \$1,000,000 payable in cash 8 April 2022 (paid during the June quarter);

- \$500,000 to be settled via the issue of 12,500,000 ordinary shares at a deemed issue price of \$0.04 each on 11 April 2022 (issued during the June quarter); and
- \$500,000 payable in cash 1 July 2022 (**Final Cash Payment**).

The Final Cash Payment was settled on 1 June 2022 at a discounted amount of \$490,000 (representing a saving of \$10,000 for early payment).

Financial Position

Cash available at the end of the June 2022 quarter was \$7.2m.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totaled \$142,286. The Company advises that \$112,500 of this relates to Director fees. Refer to the Remuneration Report in the Annual Report for further details on director remuneration. An amount of \$236 was paid to Cyclone Metals Limited (a company of which Mr Tony Sage is a director) for reimbursement of general corporate expenses attributable to CUF. An amount of \$9,325 was paid to European Lithium Limited (a company of which Mr Tony Sage is a director) for reimbursement of general corporate expenses attributable to CUF. An amount of \$20,225 was paid to Okewood Pty Ltd (a company of which Mr Tony Sage is a director) for office rent expense (\$18,750) and for corporate event sponsorship (\$1,475). These amounts are included at Item 6.1 of the Appendix 5B.

Expenditure on mining exploration activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the June 2022 quarter totaled \$557k. This amount is included at Item 1.2(a) of the Appendix 5B. Key expenditure this quarter in respect of the Yarram Project and Tennant Creek Project included payments to geological and technical consultants, environmental, drilling, tenement rents and rates, and tenement management costs. Refer to Projects overview section above for details of exploration activities conducted during the quarter.

Expenditure on mining production and development activities

In accordance with ASX Listing Rule 5.3.2, the Company advises its mining production and development expenditure during the June 2022 quarter totaled \$13,769k (CUF's net share) in respect of the JWD Project. This amount is included at Items 1.2(b) and 1.2(c) of the Appendix 5B. Key expenditure this quarter related to mining contractor costs, haulage costs, port costs, royalties attached to the shipments completed in the June 2022 quarter. Refer to Projects overview section above for details of development activities conducted during the quarter.

Securities

Movements in shares during the June 2022 quarter were as follows:

- 12,500,000 shares issued in relation to the Tennant Creek Acquisition.

Movements in options during the June 2022 quarter were as follows:

- 3,000,000 unlisted options at \$0.06 expiring on 30 June 2022 lapsed.

Announcement released with authority of the CuFe Board of Directors.

For further information please contact:

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Important Notice

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities in the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

Competent Person Statement

The information in this report is compiled and collected by Mr Olaf Frederickson, who is a Member of the Australasian Institute of Geoscientists. Mr Frederickson has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Mr Frederickson consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Schedule of tenement interests of the Company and its subsidiary entities as at 30 June 2022 (including details of tenements acquired and disposed of during the quarter).

Tenement reference	Project & Location	Acquired Interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter	Notes
M53/971-I	Wiluna West – Western Australia	-	-	60%	1
M53/972-I	Wiluna West – Western Australia	-	-	60%	1
M53/1018-I	Wiluna West – Western Australia	-	-	60%	1
M53/1078-I	Wiluna West – Western Australia	-	-	60%	1
L53/115	Wiluna West – Western Australia	-	-	60%	1
L53/146	Wiluna West – Western Australia	-	-	60%	1
MLN1163	Yarram – Northern Territory	-	-	50%	2
ELR125	Yarram – Northern Territory	-	-	50%	2
ELR146	Yarram – Northern Territory	-	-	50%	2
EL 26595	Tennant Creek – Northern Territory	-	-	60%	3
EL 28777	Tennant Creek – Northern Territory	-	-	60%	3
EL 28913	Tennant Creek – Northern Territory	-	-	60%	3
EL 29012	Tennant Creek – Northern Territory	-	-	60%	3
EL 29488	Tennant Creek – Northern Territory	-	-	60%	3
EL 30488	Tennant Creek – Northern Territory	-	-	60%	3
EL 30614	Tennant Creek – Northern Territory	-	-	60%	3
EL 31249	Tennant Creek – Northern Territory	-	-	60%	3
EL 32001	Tennant Creek – Northern Territory	-	-	60%	3
ML 23969	Tennant Creek – Northern Territory	-	-	60%	3
ML 29917	Tennant Creek – Northern Territory	-	-	60%	3
ML 29919	Tennant Creek – Northern Territory	-	-	60%	3
ML 30714	Tennant Creek – Northern Territory	-	-	60%	3
ML 30745	Tennant Creek – Northern Territory	-	-	60%	3
ML 30783	Tennant Creek – Northern Territory	-	-	60%	3
ML 30873	Tennant Creek – Northern Territory	-	-	60%	3
ML 31021	Tennant Creek – Northern Territory	-	-	60%	3
ML 31023	Tennant Creek – Northern Territory	-	-	60%	3
MLC 21	Tennant Creek – Northern Territory	-	-	60%	3
MLC 323	Tennant Creek – Northern Territory	-	-	60%	3
MLC 324	Tennant Creek – Northern Territory	-	-	60%	3
MLC 325	Tennant Creek – Northern Territory	-	-	60%	3
MLC 326	Tennant Creek – Northern Territory	-	-	60%	3
MLC 327	Tennant Creek – Northern Territory	-	-	60%	3
MLC 506	Tennant Creek – Northern Territory	-	-	60%	3
MLC 69	Tennant Creek – Northern Territory	-	-	60%	3

MLC 70	Tennant Creek – Northern Territory	-	-	60%	3
MLC 78	Tennant Creek – Northern Territory	-	-	60%	3
MLC 85	Tennant Creek – Northern Territory	-	-	60%	3
MLC 86	Tennant Creek – Northern Territory	-	-	60%	3
MLC 87	Tennant Creek – Northern Territory	-	-	60%	3
MLC 88	Tennant Creek – Northern Territory	-	-	60%	3
MLC 89	Tennant Creek – Northern Territory	-	-	60%	3
MLC 90	Tennant Creek – Northern Territory	-	-	60%	3
MLC 96	Tennant Creek – Northern Territory	-	-	60%	3
MLC 97	Tennant Creek – Northern Territory	-	-	60%	3
E52/1668	Peak Hill - Western Australia	-	-	20%	4
E52/1678	Peak Hill - Western Australia	-	-	20%	4
E52/1722	Peak Hill - Western Australia	-	-	20%	5
E52/1730	Peak Hill - Western Australia	-	-	20%	4
P52/1538	Peak Hill - Western Australia	-	-	20%	4
P52/1539	Peak Hill - Western Australia	-	-	20%	4
P52/1494	Forrest - Western Australia	-	-	20%	6
P52/1495	Forrest - Western Australia	-	-	20%	6
P52/1496	Forrest - Western Australia	-	-	20%	6
E29/640	Mt Ida – Western Australia	-	-	100%	7
M29/2	Mt Ida – Western Australia	-	-	100%	7
M29/165	Mt Ida – Western Australia	-	-	100%	7
M29/422	Mt Ida – Western Australia	-	-	100%	7

NOTES:

- 1 CUF (via Wiluna FE Pty Ltd) holds a 60% interest in the Mining Rights Agreement over the Wiluna West JWD deposit (iron ore rights).
- 2 CUF (via Yarram FE Pty Ltd) holds a 50% interest in Gold Valley Iron and Manganese Pty Ltd, the owner of the iron ore rights over the Yarram Project.
- 3 CUF (via CuFe Tennant Creek Pty Ltd) holds a 60% interest in copper / gold assets at the Tennant Creek Project in the Northern Territory from Gecko Mining Company Pty Ltd (**GMC**). CUF and GMC have formed an unincorporated joint venture in respect of the Tennant Creek Project tenements. CUF is the manager of the joint venture. CUF will pay the first \$10,000,000 of joint venture expenditure incurred.
- 4 Billabong (Operator), ALY and SFR hold various mineral rights under various earn in agreements for an 80% interest in the tenements. CUF (via Jackson Minerals) holds the remaining 20% interest in all minerals free carried to decision to mine.
- 5 SFR (Operator) and ALY hold various mineral rights for an 80% interest in the tenement. CUF (via Jackson Minerals) holds the remaining 20% interest in all minerals free carried to decision to mine.
- 6 AUR (Operator) holds an 80% interest in all minerals. CUF (via Jackson Minerals) holds the remaining 20% interest in all minerals free carried to decision to mine.
- 7 CUF holds 100% interest in iron ore rights over the Mt Ida Project tenements via the Mt Ida Iron Ore Rights Sale Agreement.

The mining tenements with beneficial interest held in farm-in/farm-out agreements at the end of each quarter (including details of beneficial interests acquired and disposed of during the quarter).

Farm-in/out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter	Notes
E51/1033-I	Morck Well – Western Australia	-	-	20%	1, 2, 3
E52/1613-I	Morck Well – Western Australia	-	-	20%	1, 2, 3
E52/1672-I	Morck Well – Western Australia	-	-	20%	1, 2, 3
NOTES:					
1	AUR (Operator) hold 80% in all minerals and CUF (via Jackson Minerals Pty Ltd) holds 20% interest in all minerals.				
2	AUR to pay PepinNini Robinson Range Pty Ltd a 0.8% gross revenue royalty from the sale or disposal of iron ore.				
3	Sandfire Farm-in: Subject to a Farm-in Letter Agreement between SFR, AUR and CUF. If SFR makes a Discovery on the tenements and a JV is formed then the interests in the tenements will be 70% SFR, 24% AUR and 6% CUF. Full details of the agreement are described in the AUR ASX announcement dated 27 February 2018.				

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CuFe Ltd

ABN

31 112 731 638

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows (Unaudited)	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13,670	32,115
1.2 Payments for		
(a) exploration & evaluation	(557)	(1,427)
(b) development	(181)	(962)
(c) production	(13,588)	(30,085)
(d) staff costs	(381)	(1,595)
(e) administration and corporate costs	(872)	(3,684)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	27
1.5 Interest and other costs of finance paid	16	(320)
1.6 Income taxes paid	(76)	(154)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material):		
(a) Funds transferred to security deposit	-	(180)
(b) Funds transferred to deposit	(30)	(30)
(c) Funds transferred to restricted cash	-	(360)
(d) Reimbursement of funds from JV partner	-	720
1.9 Net cash from / (used in) operating activities	(1,997)	(5,935)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(1,490)	(5,091)
(c) property, plant and equipment	(3)	(7)
(d) exploration & evaluation	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows (Unaudited)	Current quarter \$A'000	Year to date (12 months) \$A'000
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	575
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material):		
(i) Refund previous cash payment to acquire additional 9% interest in JWD Project (settled in shares)	-	1,000
(ii) Refund of previous cash consideration advanced on decision to mine (settled in shares)	-	250
(iii) JWD JV right to mine payment	-	(1,080)
2.6 Net cash from / (used in) investing activities	(1,493)	(4,353)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,000
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	355
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(408)
3.5 Proceeds from borrowings	3,434	9,552
3.6 Repayment of borrowings	(2,858)	(8,457)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material):		
(i) Cash flows from hedging transactions closed	741	5,559
3.10 Net cash from / (used in) financing activities	1,317	11,601

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows (Unaudited)		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,318	5,831
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,997)	(5,935)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,493)	(4,353)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,317	11,601
4.5	Effect of movement in exchange rates on cash held	49	50
4.6	Cash and cash equivalents at end of period	7,194	7,194

Note:

As detailed in the Company's 2021 Annual Report, the Wiluna Iron Joint Venture is accounted for as a joint operation and therefore, CUF Group has accounted for its share of assets, liabilities and expenses of the joint venture on a proportionate basis. Cashflows reported in this Appendix 5B are similarly reported on this proportionate basis. CUF holds a 60% interest in the Wiluna Iron Joint Venture.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,194	9,318
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,194	9,318

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	142
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	1,306 ^{(a)(b)}	1,306 ^{(a)(b)}
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	1,306 ^(c)	-(c)
7.4 Total financing facilities	2,612	1,306
7.5 Unused financing facilities available at quarter end		1,306
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	<p>Item 7.1:</p> <p>(a) As previously advised via announcement dated 27 July 2021, the Company established a USD7.5m prepayment finance facility for the JWD JV to assist in working capital management through its ramp up phase. This facility was repaid during the year.</p> <p>(b) USD1.5m (100% basis) has been drawn at 30 June against stock at port, with additional security granted in line with that of the prepayment facility, pending the finalisation of warehouse management protocols with the port provider. This has provided access to working capital whilst full-form documentation is being completed to allow draw down under the stock USD3m facility (refer to note (c) below).</p> <p>The amount shown at item 7.1 reflects the AUD-equivalent of CUF's 60% share of the loan amount drawn down.</p> <p>Item 7.3:</p> <p>(c) As announced 12 January 2022, the agreement with Glencore has been restructured to allow further drawdowns of up to USD3m against stock held at port, to assist the Company in management of working capital as required as Operator of the JWD JV.</p> <p>The amount shown at item 7.3 reflects the AUD-equivalent of CUF's 60% share of the further drawdown facility available (less USD1.5m alternatively received (refer to note (b) above). This facility has not been drawn down at 30 June 2022.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,997)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,997)
8.4 Cash and cash equivalents at quarter end (item 4.6)	7,194
8.5 Unused finance facilities available at quarter end (item 7.5)	1,306
8.6 Total available funding (item 8.4 + item 8.5)	8,500
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.